

# HOUSE BILL No. 1192

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3.5.

**Synopsis:** Option income tax residency date. Changes the date (from January 1 to July 1) on which residency is determined for purposes of the county adjusted gross income tax, the county option income tax, the county economic development income tax, and the municipal option income tax.

**Effective:** January 1, 2005 (retroactive).

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**Thompson**

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January 6, 2005, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## HOUSE BILL No. 1192

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-3.5-1.1-16 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:  
3 Sec. 16. (a) For purposes of this chapter, an individual shall be treated  
4 as a resident of the county in which ~~he~~ **the individual**:

5 (1) maintains a home, if the individual maintains only one (1) in  
6 Indiana;

7 (2) if subdivision (1) does not apply, is registered to vote;

8 (3) if neither subdivision (1) or (2) applies, registers ~~his~~ **the**  
9 **individual's** personal automobile; or

10 (4) if neither subdivision (1), (2), or (3) applies, spends the  
11 majority of ~~his~~ **the individual's** time ~~spent~~ in Indiana during the  
12 taxable year in question.

13 (b) The residence or principal place of business or employment of  
14 an individual is to be determined on ~~January~~ **July** 1 of the calendar year  
15 in which the individual's taxable year commences. If an individual  
16 changes the location of ~~his~~ **the individual's** residence or principal  
17 place of employment or business to another county in Indiana ~~during~~

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1 **after July 1** of a calendar year, ~~his the individual's~~ liability for county  
2 adjusted gross income tax is not affected.

3 (c) Notwithstanding subsection (b), if an individual becomes a  
4 county taxpayer for purposes of IC 36-7-27 during a calendar year  
5 because the individual:

6 (1) changes the location of the individual's residence to a county  
7 in which the individual begins employment or business at a  
8 qualified economic development tax project (as defined in  
9 IC 36-7-27-9); or

10 (2) changes the location of the individual's principal place of  
11 employment or business to a qualified economic development tax  
12 project and does not reside in another county in which the county  
13 adjusted gross income tax is in effect;

14 the individual's adjusted gross income attributable to employment or  
15 business at the qualified economic development tax project is taxable  
16 only by the county containing the qualified economic development tax  
17 project.

18 SECTION 2. IC 6-3.5-6-20 IS AMENDED TO READ AS  
19 FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:  
20 Sec. 20. (a) For purposes of this chapter, an individual shall be treated  
21 as a resident of the county in which ~~he~~ **the individual**:

22 (1) maintains a home, if the individual maintains only one (1) in  
23 Indiana;

24 (2) if subdivision (1) does not apply, is registered to vote;

25 (3) if subdivision (1) or (2) does not apply, registers ~~his the~~  
26 **individual's** personal automobile; or

27 (4) if subdivision (1), (2), or (3) does not apply, spends the  
28 majority of ~~his the individual's~~ time ~~spent~~ in Indiana during the  
29 taxable year in question.

30 (b) The residence or principal place of business or employment of  
31 an individual is to be determined on ~~January~~ **July 1** of the calendar year  
32 in which the individual's taxable year commences. If an individual  
33 changes the location of ~~his the individual's~~ residence or principal  
34 place of employment or business to another county in Indiana ~~during~~  
35 **after July 1** of a calendar year, ~~his the individual's~~ liability for county  
36 option income tax is not affected.

37 (c) Notwithstanding subsection (b), if an individual becomes a  
38 county taxpayer for purposes of IC 36-7-27 during a calendar year  
39 because the individual:

40 (1) changes the location of the individual's residence to a county  
41 in which the individual begins employment or business at a  
42 qualified economic development tax project (as defined in

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IC 36-7-27-9); or

(2) changes the location of the individual's principal place of employment or business to a qualified economic development tax project and does not reside in another county in which the county option income tax is in effect;

the individual's adjusted gross income attributable to employment or business at the qualified economic development tax project is taxable only by the county containing the qualified economic development tax project.

SECTION 3. IC 6-3.5-7-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:  
Sec. 17. (a) For purposes of this chapter, an individual shall be treated as a resident of the county in which the individual:

(1) maintains a home, if the individual maintains only one (1) home in Indiana;

(2) if subdivision (1) does not apply, is registered to vote;

(3) if subdivision (1) or (2) does not apply, registers the individual's personal automobile; or

(4) if subdivision (1), (2), or (3) does not apply, spends the majority of the individual's time in Indiana during the taxable year in question.

(b) The residence or principal place of business or employment of an individual is to be determined on ~~January~~ **July 1** of the calendar year in which the individual's taxable year commences. If an individual changes location of residence or principal place of employment or business to another county in Indiana ~~during~~ **after July 1** of a calendar year, the individual's liability for county economic development income tax is not affected.

(c) Notwithstanding subsection (b), if an individual becomes a county taxpayer for purposes of IC 36-7-27 during a calendar year because the individual:

(1) changes the location of the individual's residence to a county in which the individual begins employment or business at a qualified economic development tax project (as defined in IC 36-7-27-9); or

(2) changes the location of the individual's principal place of employment or business to a qualified economic development tax project and does not reside in another county in which the county economic development income tax is in effect;

the individual's adjusted gross income attributable to employment or business at the qualified economic development tax project is taxable only by the county containing the qualified economic development tax

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1 project.

2 SECTION 4. IC 6-3.5-8-21 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]:  
4 Sec. 21. (a) For purposes of this chapter, an individual shall be treated  
5 as a resident municipal taxpayer of the municipality in which the  
6 individual:

- 7 (1) maintains a residence, if the individual maintains only one (1)  
8 residence in Indiana;  
9 (2) if subdivision (1) does not apply, registers to vote;  
10 (3) if subdivision (1) or (2) does not apply, registers the  
11 individual's personal automobile; or  
12 (4) if subdivision (1), (2), or (3) does not apply, spends the  
13 majority of the individual's time in Indiana during the taxable year  
14 in question.

15 (b) Whether an individual is a resident municipal taxpayer is  
16 determined on ~~January~~ **July** 1 of the calendar year in which the  
17 individual's taxable year commences. If an individual changes the  
18 location of the individual's residence to another location in Indiana  
19 ~~during after July 1 of~~ a calendar year, the individual's liability for  
20 municipal option income tax is not affected.

21 SECTION 5. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]  
22 **IC 6-3.5-1.1-16, IC 6-3.5-6-20, IC 6-3.5-7-17, and IC 6-3.5-8-21, all**  
23 **as amended by this act, apply only to taxable years beginning after**  
24 **December 31, 2004.**

25 SECTION 6. **An emergency is declared for this act.**

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